

# NEW SCHOOL SYSTEM PROGRAM: REFORM OF EDUCATION MANAGEMENT AND PARTICIPATION

(CO-0142)

## EXECUTIVE SUMMARY

<b>Borrower:</b>	Republic of Colombia	
<b>Executing agency:</b>	Ministerio de Educación Nacional (MEN) [National Ministry of Education]	
<b>Amount and source:</b>	IDB: (OC)	US\$36 million
	Local:	US\$40 million
	Total:	US\$76 million
<b>Financial terms and conditions:</b>	Amortization period:	25 years
	Disbursement period:	4 years
	Interest rate:	variable
	Inspection and supervision:	1%
	Credit fee:	0.75%
	Currency:	US\$ from the single currency facility
<b>Objectives:</b>	<p>The objective is to initiate reforms in the Colombian education system to strengthen decentralized independent management and improve efficiency and social equity in the allocation of resources, as a means of offering better quality education services. The reforms in management and resource allocation will be carried out in a limited number of departments and municipalities where the goals are to: (a) strengthen education management and school autonomy; (b) introduce mechanisms to assure efficiency and social equity in resource allocation; (c) ensure that students in participating schools are offered the full cycle of basic education; (d) assure access to transparent information and performance evaluations; and (e) promote citizen participation. The program will also strengthen the technical capacity of the MEN to monitor and evaluate the results of the system. It will identify conditions and factors for success in building an effective school system, drawing on lessons that can be applied to all public education under a longer-term national reform program.</p>	
<b>Description:</b>	<p>The program will reform management and resource allocation in the education systems in from five to eight departments and 100 to</p>	

160 municipalities, and will establish between 500 and 800 schools offering all grades up to grade nine, thus ensuring that children will have access to basic education. Participation in the program by departments, municipalities and schools will be voluntary.

The participating departments will sign agreements with the MEN containing education management reform plans in which they undertake to rationalize their teaching staff and the allocation of government transfer payments, distributing funds to the municipalities on the basis of a formula; certify schools in all municipalities with populations over 100,000; transfer teacher and school administration functions to the remaining municipalities; and modernize the departmental departments of education, strengthening the functions of information, monitoring and technical assistance for the municipalities. The program will finance the technical assistance required to carry out these activities and will grant incentives to departments to strengthen their commitment to the reforms and reward their progress.

The municipalities that voluntarily join the program will subscribe to management reform plans to reorganize the schools in their jurisdictions into institutes that offer grades 1 to 9; assign teaching staff and the departmental and municipal transfer payments to each school on the basis of a formula; grant greater independence to schools through delegation of staff and financial administration to school principals and governments; and strengthen the technical capacity of their departments of education to manage the respective school systems. The savings from better management of teaching resources will be used to improve the quality of education. The program will finance technical assistance to bring about these changes and grant incentives to the municipalities based on the goals they have achieved.

The all-grade schools joining the program will undertake to introduce participation by parents, the community and teaching staff in school administration and to develop plans to improve institutional management. In exchange, the program will provide technical assistance and will grant monetary incentives as a reward for progress in autonomy and management. The greater independence of these schools will entail greater responsibilities for their administrators, who will be accountable to parents and the community on the one hand, and to the municipal authorities on the other.

The changes in the different departments and schools do not require legislative reform. The program will complement and deepen the recent efforts of the Colombian government to improve the allocation of resources in the sector, launched with

passage of the law enacting the development plan. The reforms in management and resource allocation in the departments, municipalities and schools will be subject to permanent monitoring and evaluation as feedback for the program and to disseminate the best experiences in school management. The program will promote the production, circulation and permanent use of information on education management and quality to be used as inputs for decision making and for internal monitoring inside the schools and between the different levels in the school system, and external monitoring by the community. Last, the capacity of the different players in the school system to build consensus on the national and local levels will be strengthened as a contribution to the cohesion required by the new system.

The program includes the following five components.

**Component 1. Education management in departments, municipalities and schools (US\$18.2 million).** The funds for this component will be used mainly to provide technical assistance in preparing and implementing departmental, municipal and school management plans. The departmental education reform plans will include formula-based allocations of funds and teaching staff to the municipalities, taking account of enrolment and other factors such as rural character, and will transfer powers to administer staff to the municipalities. The municipal education reform plans will also include the formula-based distribution of funds among schools to ensure equity, the organization of schools offering all grades (see 1.55), transfer to the schools of the power to manage nonsalary resources, including, where possible, the full transfer of responsibility over teaching staff. The new schools will have governing bodies that include parents and community representatives, greater autonomy, and institutional management plans that establish outcome-related goals.

**Component 2. Incentives to improve education management (US\$30 million).** This component will grant monetary incentives to participating departments, districts, municipalities and all-grade schools that comply with the commitments they have made in the management plans drawn up under the framework of component 1. They may only use the incentives for nonsalary education costs. The program will also award prizes to the teachers ranking highest in the teacher evaluations provided for in the law enacting the development plan.

**Component 3. Information for education management and quality (US\$14 million).** The objective of this component is to promote and facilitate the production of timely and useful

information for decision making, which will also enable the communities and the interested parties to monitor results. The specific goals are to: (a) support management of the school system by strengthening the capacity to process, analyze and use information on all levels in the sector and in the community; (b) promote a national education information service for the circulation of information on the status of educational quality, management and coverage, which will be freely accessible to the community and all the agents in the system; and (c) create a culture of information use for management, decision making and citizen participation in monitoring results.

**Component 4. Communications and social mobilization (US\$5.8 million).** Financing will be provided for communications and social mobilization activities in support of the program through the use of the media, production of publicity materials and organization of national and local events. These activities will place educational issues on the national agenda as priorities and will lead to a broad dialogue among all the social players, facilitating consensus on education objectives and responsibilities.

**Component 5. Monitoring and evaluation (US\$2.5 million).** This component will make it possible to monitor the reforms planned under the program as it is being executed, evaluate progress toward the goals and ensure that the guidelines are complied with. Special attention will be paid to monitoring the following areas: (a) resource allocation; (b) institutional capacity and education management; (c) autonomy; (d) broader school coverage and higher retention rates; and (e) public information and civic participation.

**Relationship of project in Bank's country and sector strategy:**

The country paper approved by the Programming Committee of the Board of Executive Directors on August 11, 1999, focuses the Bank's action on five objectives: (a) support for the pacification process and its sustainability by facilitating national dialogue and consensus; (b) reduction of poverty and inequality by supporting human capital formation and improving access to productive assets and basic social services; (c) consolidation of decentralization by strengthening civil society and local and regional institutions based on consensual management of the lower levels of government; (d) modernization of the State through structural reforms in public institutions and finances, including the strengthening of regulatory mechanisms; and (e) promotion of sustainable growth by helping to rehabilitate and build economic infrastructure and ensure environmental protection, with a view to increasing productivity, with private sector participation.

The country paper identifies the education sector as a strategic area for poverty reduction and the consolidation of decentralization. The Bank has two objectives in the education sector: (a) to improve the quality and coverage of primary and secondary education; and (b) to reduce structural unemployment through training for the workforce. The proposed program supports implementation of this strategy by: (a) introducing an organizational model focussed on the school; (b) improving resource allocation in the sector; (c) guaranteeing access to basic education; (d) strengthening evaluation mechanisms; and (e) promoting civic participation in monitoring the results of the education system.

**Environmental and social review:**

The program will not have any direct or indirect environmental impact, since the funds will be used to grant incentives, contract studies, and promote social communications, training and institutional strengthening. When pertinent, basic information on environmental protection and natural resource conservation will be included in program activities.

**Benefits:**

The program will promote more equitable allocation of teaching and financial resources in the participating levels of government. It will also strengthen independent school management, the efficient use of resources, and bolster commitments to improving efficiency and quality through the introduction of departmental and municipal education management reform plans and the creation of schools offering all grades in basic education.

The creation of all-grade schools and introduction of the new education management practices will improve student retention in

the system and increase the number of years of education.

The systemization of the responsibilities of the different levels of government will be promoted. The MEN will strengthen its leadership in defining policies and strategies; the departments will strengthen their supervisory powers and provide technical assistance; the municipalities will manage sector resources; and schools will have independent and participative management. Orderly and autonomous management of the system will reduce operational demands on the more senior levels, allowing them to focus on their roles of designing and tracking sector policies and ensuring the quality of education.

The management information component will provide useful data for strengthening school management and for monitoring and evaluating Colombia's educational policy.

Systemization and dissemination of good education management practices will allow these reforms to be extended to the entire education system.

**Risks:**

Success in establishing schools that offer the full basic education cycle and in autonomous school management will require a high degree of commitment and technical capacity on the part of the municipalities and schools. The program will only be carried out in areas that are willing and have the technical capacity to implement the reforms in management and resource allocation. In addition, promotional activities, technical assistance and logistical support will be provided on the different levels.

There is a possibility that the proposed program may be interpreted negatively by some agents in the sector. To mitigate this risk, the program will build consensus and conduct a publicity campaign to inform the public and teachers about its scope and purpose, encouraging them to participate directly in the reforms. The political will expressed by the government and the dialogue to be engaged in with teachers will ensure increased support for the proposed reforms.

Short political cycles could hamper continuity in the processes of institutional change in uncertified municipalities with populations under 100,000. The program will address this risk through: (a) benefits to municipal governments that allow independent management of resources and the provision of incentives to be used, not for teaching staff, but to improve coverage and quality; (b) the working methodology that gives priority from the outset to community involvement and local consensus building regarding

the actions and mechanisms to be developed and introduced under the program; and (c) the provision of technical assistance and training for technical teams in departmental and municipal departments of education.

Institutional weakness in the MEN could hamper its role in defining sector policies and strategies and evaluating educational quality and achievements. The program will strengthen key areas in the MEN and support national and local testing to ensure adequate monitoring of results. Follow-up and evaluation activities will also be carried out during the program.

**Special  
contractual  
clauses:**

**Conditions precedent to the first disbursement.** Prior to the first disbursement of the loan, evidence of the following will be presented to the Bank: (a) creation of the program's board of directors; (b) creation and organization of the coordinating unit and appointment of its chief; (c) placement in effect of the program Operating Regulations under the terms and conditions agreed upon in advance with the Bank; (d) approval of the plan of execution for the first year, identifying the first four departments that will participate; and (e) signature of agreements with at least two departments to launch the program.

**Other conditions.** The Bank will review the agreements between the MEN and the departments as they join the program and will give its nonobjection to them prior to committing the respective financing.

**Poverty-targeting  
and social sector  
classification:**

This operation qualifies as a project that promotes social equity, as described in the Bank's objectives in the Report on the Eighth General Increase in the Resources of the Bank (document AB-1704).

**Exceptions to  
Bank policy:**

None

**Procurement:**

Contracts will be awarded in accordance with Bank procedures. International competitive bidding will be held for contracts for goods worth more than US\$350,000 and for consulting contracts worth more than US\$200,000. The caps applicable to contracts for social communications and training services will be the same as for consulting services. Training, social communications and consulting contracts will be governed by the requisite of prior consultation with the Bank for individual contracts worth more than US\$50,000 or the equivalent in local currency and for contracts with firms worth more than US\$100,000 or the equivalent. The program does not include financing for physical

infrastructure.